

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1846 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-31-2-10.5 IS ADDED TO THE INDIANA
- 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2005]: **Sec. 10.5. "Live racing day" means a**
- 9 **day on which at least eight (8) live horse races are conducted.**
- 10 SECTION 2. IC 4-31-2-20.7 IS ADDED TO THE INDIANA
- 11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 12 [EFFECTIVE JULY 1, 2005]: **Sec. 20.7. "Slot machine" has the**
- 13 **meaning set forth in IC 4-35-2-9.**
- 14 SECTION 3. IC 4-31-4-2 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A county fiscal
- 16 body may adopt an ordinance permitting the filing of applications under
- 17 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
- 18 in the county. However, before adopting the ordinance, the county
- 19 fiscal body must:
- 20 (1) conduct a public hearing on the proposed ordinance; and
- 21 (2) publish notice of the public hearing in the manner prescribed
- 22 by IC 5-3-1.
- 23 (b) The county fiscal body may:
- 24 (1) require in the ordinance adopted by the county fiscal body that
- 25 before applications under IC 4-31-5 to conduct pari-mutuel

wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or (2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended in a manner that restricts a person's ability to conduct gambling games under IC 4-35. An ordinance adopted by the county fiscal body permitting slot machines in the county is not a prerequisite for the lawful operation of slot machines under IC 4-35.

SECTION 4. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The commission shall determine the dates ~~and the number~~ of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

(b) The commission shall require at least one hundred sixty (160) live racing days per calendar year at the racetrack designated in a permit holder's permit as follows:

(1) One hundred (100) live racing days must be for standardbreds.

(2) Sixty (60) live racing days must be for horses mounted by jockeys run over a course without jumps or obstacles.

The requirements of this subsection are a continuing condition for maintaining the permit holder's permit. However, the requirements do not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control.

SECTION 5. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) Except as provided in subsection (c), the commission may issue four (4) satellite facility licenses to each permit holder that:

(A) conducts at least one hundred twenty (120) live racing

- 1 days per year at the racetrack designated in the permit holder's
- 2 permit; and
- 3 (B) meets the other requirements of this chapter and the rules
- 4 adopted under this chapter.
- 5 If a permit holder that operates satellite facilities does not meet the
- 6 required minimum number of live racing days, the permit holder
- 7 may not operate the permit holder's satellite facilities during the
- 8 following year. However, the requirement for one hundred twenty
- 9 (120) live racing days does not apply if the commission
- 10 determines that the permit holder is prevented from conducting
- 11 live horse racing as a result of a natural disaster or other event
- 12 over which the permit holder has no control. In addition, if the
- 13 initial racing meeting conducted by a permit holder commences at
- 14 such a time as to make it impractical to conduct one hundred
- 15 twenty (120) live racing days during the permit holder's first year
- 16 of operations, the commission may authorize the permit holder to
- 17 conduct simulcast wagering during the first year of operations
- 18 with fewer than one hundred twenty (120) live racing days.
- 19 (2) Each proposed satellite facility must be covered by a separate
- 20 application. The timing for filing an initial application for a
- 21 satellite facility license shall be established by the rules of the
- 22 commission.
- 23 (3) A satellite facility must:
- 24 (A) have full dining service available;
- 25 (B) have multiple screens to enable each patron to view
- 26 simulcast races; and
- 27 (C) be designed to seat comfortably a minimum of four
- 28 hundred (400) persons.
- 29 (4) In determining whether a proposed satellite facility should be
- 30 approved, the commission shall consider the following:
- 31 (A) The purposes and provisions of this chapter.
- 32 (B) The public interest.
- 33 (C) The impact of the proposed satellite facility on live racing.
- 34 (D) The impact of the proposed satellite facility on the local
- 35 community.
- 36 (E) The potential for job creation.
- 37 (F) The quality of the physical facilities and the services to be
- 38 provided at the proposed satellite facility.
- 39 (G) Any other factors that the commission considers important
- 40 or relevant to its decision.
- 41 (5) The commission may not issue a license for a satellite facility
- 42 to be located in a county unless IC 4-31-4 has been satisfied.
- 43 **(c) After December 31, 2004, a permit holder may not submit an**
- 44 **initial application for a license to operate an additional satellite**
- 45 **facility under this chapter. After December 31, 2004, the**
- 46 **commission may not issue an initial license for a new satellite**
- 47 **facility. A satellite facility license issued before January 1, 2005,**

1 **may be renewed annually subject to the requirements of this**
 2 **chapter.**

3 SECTION 6. IC 4-31-7-1 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person holding
 5 a permit to conduct a horse racing meeting or a license to operate a
 6 satellite facility may provide a place in the racing meeting grounds or
 7 enclosure or the satellite facility at which the person may conduct and
 8 supervise the pari-mutuel system of wagering by patrons of legal age
 9 on the horse races conducted or simulcast by the person. The person
 10 may not permit or use:

- 11 (1) another place other than that provided and designated by the
 12 person; or
- 13 (2) another method or system of betting or wagering.

14 **However, a permit holder licensed to conduct gambling games**
 15 **under IC 4-35 may permit wagering on slot machines at a**
 16 **racetrack as permitted by IC 4-35.**

17 (b) Except as provided in section 7 of this chapter and IC 4-31-5.5,
 18 the pari-mutuel system of wagering may not be conducted on any races
 19 except the races at the racetrack, grounds, or enclosure for which the
 20 person holds a permit.

21 SECTION 7. IC 4-31-7-2 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person less
 23 than eighteen (18) years of age may not wager at a horse racing
 24 meeting.

25 (b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age
 26 may not enter the grandstand, clubhouse, or similar areas of a racetrack
 27 at which wagering is permitted unless accompanied by a person who is
 28 at least twenty-one (21) years of age.

29 (c) A person less than eighteen (18) years of age may not enter a
 30 satellite facility.

31 **(d) Except as provided by IC 4-35-7-2, a person less than**
 32 **twenty-one (21) years of age may not enter the part of a racetrack**
 33 **in which gambling games are conducted under IC 4-35.**

34 SECTION 8. IC 4-31-9-1 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. A person that holds
 36 a permit to conduct a horse racing meeting or a license to operate a
 37 satellite facility shall withhold:

- 38 (1) eighteen percent (18%) of the total of money wagered on each
 39 day at the racetrack or satellite facility (including money wagered
 40 on exotic wagering pools, **but excluding money wagered on slot**
 41 **machines under IC 4-35); plus**
- 42 (2) an additional three and one-half percent (3.5%) of the total of
 43 all money wagered on exotic wagering pools on each day at the
 44 racetrack or satellite facility.

45 SECTION 10. IC 4-33-2-17.5 IS ADDED TO THE INDIANA
 46 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 47 [EFFECTIVE JULY 1, 2005]: **Sec. 17.5. "Slot machine taxes" means**

the state wagering tax imposed on gambling games conducted by a person holding a gambling games license issued under IC 4-35-5.

SECTION 11. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
- (5) Imposing penalties for noncriminal violations of this article.
- (6) Establishing the conditions under which gambling games may be conducted under IC 4-35.**

SECTION 19. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

- (1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

- (i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or
- (ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

- (2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

- (A) embarking on a gambling excursion during the quarter; or
- (B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

- (3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in ~~subsection~~ **subsections (k) and (l)**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

1 (A) Twenty percent (20%) shall be quarterly distributed to the
 2 county treasurer of a county having a population of more than
 3 thirty-nine thousand six hundred (39,600) but less than forty
 4 thousand (40,000) for appropriation by the county fiscal body
 5 after receiving a recommendation from the county executive.
 6 The county fiscal body for the receiving county shall provide
 7 for the distribution of the money received under this clause to
 8 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 9 the county under a formula established by the county fiscal
 10 body after receiving a recommendation from the county
 11 executive.

12 (B) Twenty percent (20%) shall be quarterly distributed to the
 13 county treasurer of a county having a population of more than
 14 ten thousand seven hundred (10,700) but less than twelve
 15 thousand (12,000) for appropriation by the county fiscal body.
 16 The county fiscal body for the receiving county shall provide
 17 for the distribution of the money received under this clause to
 18 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 19 the county under a formula established by the county fiscal
 20 body after receiving a recommendation from the county
 21 executive.

22 (C) Sixty percent (60%) shall be retained by the county where
 23 the riverboat is docked for appropriation by the county fiscal
 24 body after receiving a recommendation from the county
 25 executive. The county fiscal body shall provide for the
 26 distribution of part or all of the money received under this
 27 clause to the following under a formula established by the
 28 county fiscal body:

29 (i) A town having a population of more than two thousand
 30 two hundred (2,200) but less than three thousand five
 31 hundred (3,500) located in a county having a population of
 32 more than nineteen thousand three hundred (19,300) but less
 33 than twenty thousand (20,000).

34 (ii) A town having a population of more than three thousand
 35 five hundred (3,500) located in a county having a population
 36 of more than nineteen thousand three hundred (19,300) but
 37 less than twenty thousand (20,000).

38 (2) Sixteen percent (16%) of the admissions tax collected during
 39 the quarter shall be paid in equal amounts to each town that:

- 40 (A) is located in the county in which the riverboat docks; and
- 41 (B) contains a historic hotel.

42 The town council shall appropriate a part of the money received
 43 by the town under this subdivision to the budget of the town's
 44 tourism commission.

45 (3) Nine percent (9%) of the admissions tax collected during the
 46 quarter shall be paid to the historic hotel preservation commission
 47 established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in ~~subsection~~ **subsections (k) and (l)**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the

base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) exceed a particular entity's base year revenue; and
 - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

(l) The maximum amount paid to the Indiana horse racing commission under this section in a state fiscal year ending before July 1, 2007, may not exceed the remainder of:

- (1) the Indiana horse racing commission's base year revenue as determined under subsection (h); minus**
- (2) the amount of slot machine taxes, if any, paid to the Indiana horse racing commission under IC 4-35-8-3 in the state fiscal year.**

For a state fiscal year ending before July 1, 2007, the treasurer of state shall pay the amount of the admissions taxes equal to the amount of slot machine taxes, if any, subtracted from the Indiana horse racing commission's base year revenue under this subsection to the property tax replacement fund instead of to the Indiana horse racing commission. For a state fiscal year beginning after June 30, 2007, the Indiana horse racing commission is not entitled to a distribution of admissions taxes collected under this chapter. After June 30, 2007, the treasurer of state shall pay the admissions taxes specified in subsections (b)(6) and (d)(7) to the property tax replacement fund instead of to the Indiana horse racing commission."

Page 7, between lines 34 and 35, begin a new paragraph and insert:
 "SECTION 22. IC 4-33-18-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

- (1) the ~~Indiana~~ state lottery commission under IC 4-30;
- (2) the Indiana horse racing commission under IC 4-31;

(3) the department of state revenue under IC 4-32; or

(4) the Indiana gaming commission under IC 4-33 **or IC 4-35.**

(b) The department may not exercise any administrative or regulatory powers with respect to:

(1) the Indiana lottery under IC 4-30;

(2) pari-mutuel horse racing under IC 4-31;

(3) charity gaming under IC 4-32; ~~or~~

(4) riverboat casino gambling under IC 4-33; **or**

(5) gambling games conducted at a racetrack (as defined in IC 4-35-2-8) under IC 4-35.

SECTION 23. IC 4-35 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 35. GAMBLING GAMES AT RACETRACKS

Chapter 1. Application

Sec. 1. This article applies only to gambling games conducted in a permit holder holding a gambling games license issued under IC 4-35-5.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by a permit holder, whether collected or not) received by a permit holder from gambling games; minus

(2) the total of:

(A) all cash paid out to patrons as winnings for gambling games; and

(B) uncollectible gambling game receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from gambling games; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from gambling games.

Sec. 3. "Capital improvement board" refers to the capital improvement board of managers created under IC 36-10-9.

Sec. 4. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

Sec. 5. "Department" refers to the department of state revenue.

Sec. 6. "Gambling game" means a slot machine.

Sec. 7. "Permit holder" means a person holding a permit issued under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

1 **Sec. 8. "Racetrack"** means the racetrack specified in a permit
2 holder's permit to conduct a pari-mutuel horse racing meeting.

3 **Sec. 9. "Slot machine"** means a type of electronic gaming device
4 approved by the commission as a wagering device for use under
5 this article.

6 **Sec. 10. "Supplier's license"** means a license issued under
7 IC 4-35-6.

8 **Chapter 3. General Provisions**

9 **Sec. 1. All shipments of slot machines to permit holders in**
10 **Indiana, the registering, recording, and labeling of which have been**
11 **completed by the manufacturer or dealer in accordance with 15**
12 **U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of**
13 **gambling devices into Indiana.**

14 **Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the**
15 **state of Indiana, acting by and through elected and qualified**
16 **members of the general assembly, declares that the state is exempt**
17 **from 15 U.S.C. 1172.**

18 **Chapter 4. Powers and Duties of the Indiana Gaming** 19 **Commission**

20 **Sec. 1. The commission shall regulate and administer gambling**
21 **games conducted by a permit holder licensed to conduct gambling**
22 **games under this article.**

23 **Sec. 2. The commission shall do the following:**

24 **(1) Adopt rules that the commission determines necessary to**
25 **protect or enhance the following:**

26 **(A) The credibility and integrity of gambling games**
27 **authorized by this article.**

28 **(B) The regulatory process provided in this article.**

29 **(2) Conduct all hearings concerning civil violations of this**
30 **article.**

31 **(3) Provide for the establishment and collection of license fees**
32 **imposed under this article.**

33 **(4) Deposit the license fees in the state racetrack gaming fund**
34 **established by IC 4-35-8-2.**

35 **(5) Levy and collect penalties for noncriminal violations of this**
36 **article.**

37 **(6) Deposit the penalties in the state racetrack gaming fund**
38 **established by IC 4-35-8-2.**

39 **(7) Adopt appropriate standards for the design, appearance,**
40 **aesthetics, and construction of slot machine facilities**
41 **authorized under this article.**

42 **Sec. 3. The commission shall adopt rules under IC 4-22-2 for the**
43 **following purposes:**

44 **(1) Administering this article.**

45 **(2) Establishing the conditions under which gambling games**
46 **at racetracks may be conducted.**

1 (3) Providing for the prevention of practices detrimental to the
2 public interest.

3 (4) Establishing rules concerning inspection of gambling game
4 facilities at racetracks and the review of the permits or
5 licenses necessary to conduct gambling games under this
6 article.

7 (5) Imposing penalties for noncriminal violations of this
8 article.

9 Sec. 4. The commission may enter into a contract with the
10 Indiana horse racing commission for the provision of services
11 necessary to administer this article.

12 Chapter 5. Gambling Game License

13 Sec. 1. The commission may issue a license to a permit holder to
14 conduct gambling games under this article at a racetrack. The
15 number of licenses issued under this chapter may not exceed two
16 (2).

17 Sec. 2. Before issuing a license to a permit holder under this
18 chapter, the commission shall subject the permit holder to a
19 background investigation similar to a background investigation
20 required for an applicant for a riverboat owner's license under
21 IC 4-33-6.

22 Sec. 3. In determining whether to issue a gambling games license
23 to an applicant, the commission shall consider the following:

24 (1) The character, reputation, experience, and financial
25 integrity of the following:

26 (A) The applicant.

27 (B) A person that:

28 (i) directly or indirectly controls the applicant; or

29 (ii) is directly or indirectly controlled by the applicant or
30 by a person that directly or indirectly controls the
31 applicant.

32 (2) The facilities or proposed facilities for the conduct of
33 gambling games at a racetrack. The applicant must submit to
34 the commission a proposed design of the slot machine
35 facilities.

36 (3) The prospective total revenue to be collected by the state
37 from the conduct of gambling games under this article.

38 (4) The good faith affirmative action plan of each applicant to
39 recruit, train, and upgrade minorities in all employment
40 classifications.

41 (5) The financial ability of the applicant to purchase and
42 maintain adequate liability and casualty insurance.

43 (6) Whether the applicant has adequate capitalization to
44 operate a slot machine facility for the duration of the license
45 period.

46 (7) The extent to which the applicant exceeds or meets other

standards adopted by the commission.

Sec. 4. (a) A permit holder must post a bond with the commission at least sixty (60) days before the commencement of regular slot machine operations under this article.

(b) The bond must be furnished in:

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission;
and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the permit holder.

(d) The bond:

(1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a slot machine operation; and

(3) must be payable to the commission as obligee for use in payment of the permit holder's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

Any bond proceeds remaining after the payments shall be deposited in the state general fund.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a permit holder's bond is insufficient, the permit holder shall, upon written demand of the commission, file a new bond.

(f) The commission may require a permit holder to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall revoke the permit holder's gambling games license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the permit holder remains at the site of the slot machine operation:

(1) for five (5) years; or

(2) until the date the commission issues a license to another

1 person to operate from the site for which the bond was posted;
2 whichever occurs first.

3 (i) A permit holder who does not meet the requirements of
4 subsection (h) forfeits a bond filed under this section. The proceeds
5 of a bond that is in default under this subsection are paid to the
6 commission and used in the same manner as specified in subsection
7 (d).

8 (j) The total liability of the surety on a bond is limited to the
9 amount specified in the bond, and the continuous nature of the
10 bond may not be construed as allowing the liability of the surety
11 under a bond to accumulate for each successive approval period
12 during which the bond is in force.

13 (k) A bond filed under this section is released sixty (60) days
14 after:

15 (1) the time specified under subsection (h); and

16 (2) a written request is submitted by the permit holder.

17 Sec. 5. An initial gambling game license expires five (5) years
18 after the effective date of the license. Unless the gambling game
19 license is terminated or revoked, the gambling game license may be
20 renewed annually thereafter upon:

21 (1) the payment of a five thousand dollar (\$5,000) annual
22 renewal fee; and

23 (2) a determination by the commission that the permit holder
24 satisfies the conditions of this chapter.

25 Sec. 6. (a) A permit holder shall undergo a complete
26 investigation every three (3) years to determine whether the permit
27 holder remains in compliance with this article.

28 (b) Notwithstanding subsection (a), the commission may
29 investigate a permit holder at any time the commission determines
30 it is necessary to ensure that the permit holder remains in
31 compliance with this article.

32 Sec. 7. A permit holder shall bear the cost of an investigation or
33 a reinvestigation of the permit holder and any investigation
34 resulting from a potential transfer of ownership.

35 Sec. 8. (a) A permit holder, or any other person, must apply for
36 and receive the commission's approval before:

37 (1) a gambling games license is:

38 (A) transferred;

39 (B) sold; or

40 (C) purchased; or

41 (2) a voting trust agreement or other similar agreement is
42 established with respect to the gambling games license.

43 (b) The commission shall adopt rules governing the procedure
44 a permit holder or other person must follow to take an action
45 under subsection (a). The rules must specify that a person who
46 obtains an ownership interest in a license must meet the criteria of

1 this article and any rules adopted by the commission. A permit
2 holder may transfer a gambling games license only in accordance
3 with this article and rules adopted by the commission.

4 (c) A permit holder or any other person may not:

- 5 (1) lease;
- 6 (2) hypothecate; or
- 7 (3) borrow or loan money against;

8 a gambling games license.

9 (d) A transfer fee is imposed on a person who purchases or
10 otherwise acquires a controlling interest, as determined under the
11 rules of the commission, in a gambling games license previously
12 issued to another person. The fee is equal to two million dollars
13 (\$2,000,000). The commission shall collect and deposit a fee
14 imposed under this subsection in the state general fund.

15 Chapter 6. Slot Machine Suppliers

16 Sec. 1. The commission may issue a supplier's license under this
17 chapter to a person if:

18 (1) the person has:

- 19 (A) applied for the supplier's license;
- 20 (B) paid a nonrefundable application fee set by the
- 21 commission;
- 22 (C) paid a five thousand dollar (\$5,000) annual supplier's
- 23 license fee; and
- 24 (D) submitted, on forms provided by the commission, two

25 (2) sets of:

- 26 (i) the individual's fingerprints, if the applicant is an
- 27 individual; or
- 28 (ii) fingerprints for each officer and director of the
- 29 applicant, if the applicant is not an individual; and

30 (2) the commission has determined that the applicant is
31 eligible for a supplier's license.

32 Sec. 2. (a) A holder of a supplier's license issued under this
33 chapter may sell, lease, and contract to sell or lease slot machines
34 to a permit holder licensed under this article.

35 (b) Slot machines may not be distributed unless the slot
36 machines conform to standards adopted by the commission.

37 Sec. 3. A person may not receive a supplier's license under this
38 chapter if:

- 39 (1) the person has been convicted of a felony under Indiana
- 40 law, the laws of any other state, or the laws of the United
- 41 States;
- 42 (2) the person has knowingly or intentionally submitted an
- 43 application for a supplier's license under this chapter that
- 44 contains false information;
- 45 (3) the person is a member of the commission;
- 46 (4) the person is an officer, a director, or a managerial

1 employee of a person described in subdivision (1) or (2);

2 (5) the person employs an individual who:

3 (A) is described in subdivision (1), (2), or (3); and

4 (B) participates in the management or operation of
5 gambling operations authorized under this article;

6 (6) the person owns more than a ten percent (10%) ownership
7 interest in any other person holding a permit issued under
8 IC 4-31; or

9 (7) a license issued to the person:

10 (A) under this article;

11 (B) under IC 4-33-7; or

12 (C) to supply gaming supplies in another jurisdiction;
13 has been revoked.

14 Sec. 4. A person may not furnish slot machines to a permit
15 holder unless the person possesses a supplier's license.

16 Sec. 5. (a) A supplier shall furnish to the commission a list of all
17 slot machines offered for sale or lease in connection with gambling
18 games authorized under this article.

19 (b) A supplier shall keep books and records for the furnishing
20 of slot machines to permit holders licensed under this article. The
21 books and records must be separate from books and records of any
22 other business operated by the supplier.

23 (c) A supplier shall file a quarterly return with the commission
24 listing all sales and leases.

25 (d) A supplier shall permanently affix the supplier's name to all
26 slot machines that the supplier provides to permit holders under
27 this chapter.

28 Sec. 6. A supplier's slot machines that are used by a person in an
29 unauthorized gambling operation shall be forfeited to the state.

30 Sec. 7. Slot machines that are provided by a supplier may be:

31 (1) repaired on the premises of a permit holder's racetrack; or

32 (2) removed for repair from the racetrack to a facility owned
33 by the permit holder.

34 Sec. 8. (a) Unless a supplier's license is suspended, expires, or is
35 revoked, the supplier's license may be renewed annually upon:

36 (1) the payment of a five thousand dollar (\$5,000) annual
37 renewal fee; and

38 (2) a determination by the commission that the holder of the
39 supplier's license is in compliance with this article.

40 (b) The holder of a supplier's license shall undergo a complete
41 investigation every three (3) years to determine whether the holder
42 of the supplier's license is in compliance with this article.

43 (c) Notwithstanding subsection (b), the commission may
44 investigate the holder of a supplier's license at any time the
45 commission determines it is necessary to ensure that the holder of
46 the supplier's license is in compliance with this article.

(d) A person holding a supplier's license shall bear the cost of an investigation or a reinvestigation of the person and any investigation resulting from a potential transfer of ownership.

Chapter 7. Conduct of Gambling Games at Racetracks

Sec. 1. Gambling games authorized by this article may not be conducted anywhere other than a slot machine facility located at a racetrack.

Sec. 2. (a) A person less than twenty-one (21) years of age may not wager on a slot machine.

(b) Except as provided in subsection (c), a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack where gambling games are conducted.

(c) A person who is at least eighteen (18) years of age and who is an employee of the racetrack may be present in the area of the racetrack where gambling games are conducted. However, an employee who is less than twenty-one (21) years of age may not perform any function involving gambling by the patrons.

Sec. 3. Minimum and maximum wagers on gambling games shall be determined by the permit holder who has been issued a gambling game license under this article.

Sec. 4. The following may inspect a racetrack's slot machine facilities at any time to determine if this article is being violated:

(1) Employees of the commission.

(2) Officers of the state police department.

Sec. 5. Employees of the commission have the right to be present in the slot machine facilities of a permit holder.

Sec. 6. Slot machines may be purchased or leased only from suppliers licensed under this article.

Sec. 7. A permit holder may not permit any form of wagering except:

(1) slot machine wagering as permitted under this article; and

(2) pari-mutuel wagering as permitted under IC 4-31.

Sec. 8. Wagers may be received only from a person present in a racetrack's slot machine facilities. A person present in a racetrack's slot machine facilities may not place or attempt to place a wager on behalf of another person who is not present in the racetrack's slot machine facilities.

Sec. 9. Wagering may not be conducted with money or other negotiable currency.

Sec. 10. (a) All tokens or electronic cards that are used to make wagers must be purchased from a permit holder at a racetrack.

(b) The tokens or electronic cards may be purchased by means of an agreement under which the permit holder extends credit to the patron.

Sec. 11. Tokens or electronic cards may be used while present at the racetrack only for the purpose of making wagers on slot

1 machines authorized by this article.

2 Sec. 12. A permit holder licensed to conduct gambling games
3 under this article may not install more than one thousand (1,000)
4 slot machines on the premises of the permit holder's racetrack.

5 Chapter 8. Taxation of Slot Machine Wagering

6 Sec. 1. (a) A state wagering tax is imposed on the adjusted gross
7 receipts received from wagering on slot machines authorized under
8 this article at the rate of thirty-two percent (32%).

9 (b) A permit holder shall remit the tax imposed by this section
10 to the department before the close of the business day following the
11 day the wagers are made.

12 (c) The department may require payment under this section to
13 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

14 (d) If the department requires taxes to be remitted under this
15 chapter through electronic funds transfer, the department may
16 allow the permit holder to file a monthly report to reconcile the
17 amounts remitted to the department.

18 (e) The payment of the tax under this section must be on a form
19 prescribed by the department.

20 Sec. 2. (a) The state racetrack gaming fund is established.
21 Money in the fund does not revert to the state general fund at the
22 end of a state fiscal year.

23 (b) The department shall deposit tax revenue collected under
24 section 1 of this chapter in the state racetrack gaming fund.

25 (c) Money in the fund is appropriated for the purposes of this
26 chapter.

27 Sec. 3. (a) This section applies to the first twenty-seven million
28 two hundred five thousand two hundred eighty-four dollars
29 (\$27,205,284) deposited in the state racetrack gaming fund under
30 section 2 of this chapter in a state fiscal year ending before July 1,
31 2007.

32 (b) Before the fifteenth day of each month, the treasurer of state
33 shall distribute the tax revenue deposited in the state racetrack
34 gaming fund in the preceding month to the Indiana horse racing
35 commission to be distributed in amounts determined by the
36 Indiana horse racing commission as follows:

37 (1) To one (1) or more breed development funds established
38 by the Indiana horse racing commission under IC 4-31-11-10.

39 (2) To a racetrack that was approved by the Indiana horse
40 racing commission under IC 4-31. The commission may make
41 a grant under this clause only for purses, promotions, and
42 routine operations of the racetrack. No grants shall be made
43 for long term capital investment or construction, and no
44 grants shall be made before the racetrack becomes
45 operational and is offering a racing schedule.

46 Sec. 4. (a) This section applies to the tax revenue deposited in the

1 state racetrack gaming fund that exceeds twenty-seven million two
 2 hundred five thousand two hundred eighty-four dollars
 3 (\$27,205,284) in a state fiscal year ending before July 1, 2007.

4 (b) Before the fifteenth day of each month, the treasurer of state
 5 shall transfer the remaining tax revenue to the state general fund.

6 Sec. 5. (a) This section applies to a state fiscal year beginning
 7 after June 30, 2007.

8 (b) Before the fifteenth day of each month, the treasurer of state
 9 shall transfer the tax revenue deposited in the state racetrack
 10 gaming fund under section 2 of this chapter in the preceding month
 11 to the state general fund.

12 Sec. 6. (a) A local wagering tax is imposed on the adjusted gross
 13 receipts received from wagering on slot machines authorized under
 14 this article at the rate of eight percent (8%).

15 (b) A permit holder shall remit the tax imposed by this section
 16 to the department before the close of the business day following the
 17 day the wagers are made.

18 (c) The department may require payment under this section to
 19 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

20 (d) If the department requires taxes to be remitted under this
 21 chapter through electronic funds transfer, the department may
 22 allow the permit holder to file a monthly report to reconcile the
 23 amounts remitted to the department.

24 (e) The department may allow taxes remitted under this section
 25 to be reported on the same form used for taxes paid under section
 26 1 of this chapter.

27 Sec. 7. (a) The local racetrack gaming fund is established.
 28 Money in the fund does not revert to the state general fund at the
 29 end of a state fiscal year.

30 (b) The department shall deposit tax revenue collected under
 31 section 6 of this chapter in the local racetrack gaming fund.

32 (c) The treasurer of state shall establish a separate account
 33 within the fund for each county containing a racetrack. Each
 34 account consists of the local wagering taxes remitted by the
 35 county's racetrack under section 6 of this chapter and deposited
 36 into the fund under subsection (b).

37 (d) Money in the fund is appropriated for the purposes of this
 38 chapter.

39 Sec. 8. The treasurer of state shall distribute the taxes deposited
 40 in the local racetrack gaming fund as follows:

41 (1) The tax revenue remitted by a slot machine operation
 42 located at a racetrack that is located in a county having a
 43 population of more than one hundred thirty thousand
 44 (130,000) but less than one hundred forty-five thousand
 45 (145,000) shall be distributed under section 9 of this chapter.

46 (2) The tax revenue remitted by a slot machine operation

1 located at a racetrack that is located in a county having a
 2 population of more than forty-three thousand (43,000) but less
 3 than forty-five thousand (45,000) shall be distributed under
 4 section 10 of this chapter.

5 **Sec. 9.** In the case of a racetrack described in section 8(1) of this
 6 chapter, the first two hundred thousand dollars (\$200,000) of tax
 7 revenue distributed under this section in the first calendar year
 8 that gambling games are conducted at the racetrack located in the
 9 county must be paid to the county treasurer for a one (1) time
 10 distribution to a shelter for victims of domestic violence located in
 11 the county. The first two hundred fifty thousand dollars (\$250,000)
 12 of tax revenue distributed under this section in the second calendar
 13 year that gambling games are conducted at the racetrack located
 14 in the county must be paid to a post secondary educational
 15 institution located in the county to support the institution's
 16 electrical engineering programs. The first two hundred thousand
 17 dollars (\$200,000) of tax revenue distributed in the third calendar
 18 year that gambling games are conducted at the racetrack located
 19 in the county must be paid to the Madison County Community
 20 Health Center. The remainder of the tax revenues distributed
 21 under this section each year shall be paid as follows:

22 (1) Thirty-two percent (32%) to the county's economic
 23 development council for distribution under section 11 of this
 24 chapter.

25 (2) Eighteen percent (18%) to a city having a population of
 26 more than fifty-nine thousand seven hundred (59,700) but less
 27 than sixty-five thousand (65,000).

28 (3) Twenty percent (20%) to the school corporations located
 29 in the county. The tax revenue distributed under this
 30 subdivision must be divided among the school corporations on
 31 a pro rata basis according to the ratio the number of county
 32 resident students enrolled in each school corporation bears to
 33 the total number of county resident students enrolled in the
 34 school corporations located in the county.

35 (4) Fifteen percent (15%) to the incorporated cities and towns
 36 located in the county other than a city described in subdivision
 37 (2). The tax revenue distributed under this subdivision must
 38 be divided among the cities and towns on a pro rata basis
 39 according to the ratio that the population of each city or town
 40 bears to the total population of the county minus the
 41 population of a city described in subdivision (2).

42 (5) Fourteen and five-tenths percent (14.5%) to the capital
 43 projects fund of the county for distribution by the county
 44 legislative body.

45 (6) Five-tenths of one percent (0.5%) to the county fiscal body
 46 for distribution to mental health and addiction service

providers located in the county.

Sec. 10. In the case of a racetrack that is described in section 8(2) of this chapter, the tax revenues remitted by the racetrack shall be paid as follows:

(1) Thirty-eight and five-tenths percent (38.5%) to the county.

(2) Thirty-eight and five-tenths percent (38.5%) to a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100).

(3) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this subdivision must be divided among the school corporations on a pro rata basis according to the ratio that the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county.

(4) Five-tenths of one percent (0.5%) to the county fiscal body for distribution to mental health and addiction service providers located in the county.

(5) Two and five-tenths percent (2.5%) to a town having a population of more than one thousand (1,000) that is located in the county.

Sec. 11. (a) This section applies only to a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

(b) The county economic development council is established to allocate slot machine taxes received under section 9 of this chapter within the county. Five hundred thousand dollars (\$500,000) of the taxes received each year must be allocated for operations, capital improvements, and other necessary expenditures of the certified technology park located in the largest city in the county. The council may allocate the remainder of the taxes received under section 9 of this chapter each year for the following purposes:

(1) Economic development projects within the county.

(2) Assisting the Madison County Community Health Center.

(3) Assisting nonprofit organizations located in the county.

If the council determines that the certified technology park located in the largest city in the county no longer needs the amount of money provided under this section, the council may reallocate the taxes for any purpose permitted by this section.

(c) The council consists of the following members:

(1) Two (2) elected officials, who must be members of different political parties, representing the county, appointed by the county executive.

(2) Two (2) elected officials, who must be members of different political parties, representing the largest city in the county,

1 appointed by the mayor of the city.

2 (3) One (1) elected official from each city in the county other
3 than the city described in subdivision (2), appointed by the
4 mayor of the city.

5 (4) One (1) elected official from each town in the county,
6 appointed by the legislative body of the town.

7 (5) The executive dean of Ivy Tech Community
8 College-Anderson or the executive dean's designee.

9 (6) The president of Anderson University or the president's
10 designee.

11 (d) For purposes of this section, "economic development
12 project" means any project that would be considered an economic
13 development project under IC 6-3.5-7-13.1.

14 Sec. 12. (a) Before the fifteenth day of each month, a permit
15 holder shall pay to the Indiana horse racing commission for the
16 promotion of horse racing a fee of thirteen percent (13%) of the
17 permit holder's adjusted gross receipts received from wagering on
18 slot machines authorized by this article for the previous month.

19 (b) Subject to subdivision (1)(C), the Indiana horse racing
20 commission shall distribute the money that is paid under subsection
21 (a) as follows:

22 (1) Eighty-one percent (81%) for the following purposes:

23 (A) Forty-six percent (46%) for thoroughbred purposes as
24 follows:

25 (i) Ninety-eight and five-tenths percent (98.5%) for
26 thoroughbred purses.

27 (ii) One and two-tenths percent (1.2%) to the horsemen's
28 association representing thoroughbred owners and
29 trainers.

30 (iii) Three-tenths of one percent (0.3%) to the horsemen's
31 association representing thoroughbred owners and
32 breeders.

33 (B) Forty-six percent (46%) for standardbred purposes as
34 follows:

35 (i) Ninety-eight and five-tenths percent (98.5%) for
36 standardbred purses.

37 (ii) One and five-tenths percent (1.5%) to the horsemen's
38 association representing standardbred owners and
39 trainers.

40 (C) Eight percent (8%) for quarterhorse purposes as
41 follows:

42 (i) Ninety-five percent (95%) for quarterhorse purses.

43 (ii) Five percent (5%) to the horsemen's association
44 representing quarterhorse owners and trainers.

45 However, in the first year after the commencement of slot
46 machine operations, the money distributed under this

clause may not exceed the lesser of two million seven hundred thousand dollars (\$2,700,000) or eight percent (8%) of the money paid under this subdivision. If quarterhorse races average at least seven and five-tenths (7.5) horses per gate in the first year after the commencement of slot machine operations or in a subsequent year, the money distributed under this clause for quarterhorse purposes shall be increased by ten percent (10%) in the following year. However, the money distributed under this clause may not exceed eight percent (8%) of the total amount of money distributed under this subdivision. If the amount of money distributed under this clause is less than eight percent (8%) of the total amount of money distributed under this subdivision in a particular year, the amounts distributed under clauses (A) and (B) for that year shall be increased equally in proportional amounts.

(2) Nineteen percent (19%) to the breed development funds established under IC 4-31-11-10 in the same proportion that money is distributed for the purposes of each breed under subdivision (1).

Sec. 13. (a) As used in this section, "political subdivision" means a county, township, city, town, separate municipal corporation, special taxing district, or school corporation.

(b) Money paid to a political subdivision under this chapter:

(1) must be paid to the fiscal officer of the political subdivision and must be deposited in the political subdivision's general fund;

(2) may not be used to reduce the political subdivision's maximum levy under IC 6-1.1 but may be used at the discretion of the political subdivision to reduce the property tax levy of the political subdivision for a particular year;

(3) may be used for any purpose specified in this chapter or for any other legal or corporate purpose of the political subdivision, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

Chapter 9. Penalties

Sec. 1. This chapter applies only to gambling games authorized under this article.

Sec. 2. A person who knowingly or intentionally aids, induces, or causes a person who is:

(1) less than twenty-one (21) years of age; and

(2) not an employee of a racetrack licensed to conduct gambling games under this article;

to enter or attempt to enter the racetrack's slot machine operation

1 commits a Class A misdemeanor.

2 Sec. 3. A person who:

3 (1) is not an employee of a racetrack licensed to conduct
4 gambling games under this article;

5 (2) is less than twenty-one (21) years of age; and

6 (3) knowingly or intentionally enters the racetrack's slot
7 machine operation;

8 commits a Class A misdemeanor.

9 Sec. 4. A person who knowingly or intentionally:

10 (1) makes a false statement on an application submitted under
11 this article;

12 (2) conducts a gambling game in a manner other than the
13 manner required under this article; or

14 (3) wagers or accepts a wager at a location other than a
15 racetrack's slot machine operation;

16 commits a Class A misdemeanor.

17 Sec. 5. A person who knowingly or intentionally does any of the
18 following commits a Class D felony:

19 (1) Offers, promises, or gives anything of value or benefit:

20 (A) to a person who is connected with a permit holder,
21 including an officer or an employee of a permit holder; and

22 (B) under an agreement to influence or with the intent to
23 influence:

24 (i) the actions of the person to whom the offer, promise,
25 or gift was made in order to affect or attempt to affect
26 the outcome of a gambling game; or

27 (ii) an official action of a commission member.

28 (2) Solicits, accepts, or receives a promise of anything of value
29 or benefit:

30 (A) while the person is connected with a permit holder,
31 including an officer or employee of a permit holder; and

32 (B) under an agreement to influence or with the intent to
33 influence:

34 (i) the actions of the person to affect or attempt to affect
35 the outcome of a gambling game; or

36 (ii) an official action of a commission member.

37 (3) Uses or possesses with the intent to use a device to assist in:

38 (A) projecting the outcome of the game;

39 (B) analyzing the probability of the occurrence of an event
40 relating to the gambling game; or

41 (C) analyzing the strategy for playing or betting to be used
42 in the game, except as permitted by the commission.

43 (4) Cheats at a gambling game.

44 (5) Manufactures, sells, or distributes any game or device that
45 is intended to be used to violate this article.

46 (6) Alters or misrepresents the outcome of a gambling game

on which wagers have been made after the outcome is made sure but before the outcome is revealed to the players.

(7) Places a bet on the outcome of a gambling game after acquiring knowledge that:

(A) is not available to all players; and

(B) concerns the outcome of the gambling game that is the subject of the bet.

(8) Aids a person in acquiring the knowledge described in subdivision (7) for the purpose of placing a bet contingent on the outcome of a gambling game.

(9) Claims, collects, takes, or attempts to claim, collect, or take money or anything of value in or from a gambling game:

(A) with the intent to defraud; or

(B) without having made a wager contingent on winning a gambling game.

(10) Claims, collects, or takes an amount of money or a thing of value of greater value than the amount won in a gambling game.

(11) Uses or possesses counterfeit tokens in or for use in a gambling game.

(12) Possesses a key or device designed for:

(A) opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or a mechanical device connected with the gambling game; or

(B) removing coins, tokens, or other contents of a gambling game.

This subdivision does not apply to a permit holder or an employee of a permit holder acting in the course of the employee's employment.

(13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

Chapter 10. Employment

Sec. 1. (a) This section applies if a permit holder's employees are covered under the terms of a collective bargaining agreement that is in effect at the time a gambling games license is issued authorizing a person to conduct gambling games under this article at the permit holder's racetrack.

(b) If a permit holder has nonsupervisory employees whose work is:

(1) directly related to:

(A) pari-mutuel terminal operations; or

(B) money room functions associated with pari-mutuel wagering on horse racing; and

(2) covered under the terms of a collective bargaining agreement;

the permit holder shall, subject to subsection (c), staff

nonsupervisory positions directly related to the operation of gambling games under this article with employees whose work is covered under the terms of a collective bargaining agreement.

(c) The employees described in subsection (b) must be qualified to meet the licensing requirements of this article and any criteria required by the Indiana gaming commission in rules adopted under IC 4-22-2.

Sec. 2. The job classifications, job duties, wage rates, and benefits of nonsupervisory positions related to gambling games may be established by agreement of the parties to a collective bargaining agreement or, in the absence of an agreement, by the permit holder."

Page 9, line 11, after "IC 4-33-13);" insert "**the taxes imposed on slot machine wagering at racetracks (IC 4-35-8);**".

Page 22, between lines 8 and 9, begin a new paragraph and insert: "SECTION 18. IC 35-45-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. This chapter does not apply to the publication or broadcast of an advertisement, a list of prizes, or other information concerning:

(1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; ~~or~~

(2) a game of chance operated in accordance with IC 4-32; **or**

(3) a gambling game operated in accordance with IC 4-35.

SECTION 19. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. This chapter does not apply to a gambling game conducted as authorized by IC 4-35."**

Page 23, after line 36, begin a new paragraph and insert the following:

"SECTION 21. [EFFECTIVE JULY 1, 2005] (a) **The definitions set forth in IC 4-35-2, as added by this act, apply throughout this SECTION.**

(b) If the Indiana gaming commission determines that a permit holder has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing the permit holder to conduct gambling games under IC 4-35, as added by this act. The Indiana gaming commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.

(c) The Indiana gaming commission shall authorize a permit holder to conduct gambling games in a temporary facility upon the Indiana gaming commission's approval of the permit holder's plans for a permanent facility. Gambling games may be conducted in a temporary facility under this SECTION for not more than eighteen (18) months.

(d) This SECTION expires January 1, 2008."

- 1 Renumber all SECTIONS consecutively.
 (Reference is to HB 1846 as printed February 25, 2005.)

Representative Reske